

For Immediate Release

## WALTON WESTPHALIA DEVELOPMENT CORPORATION RESPONDS TO WASHINGTON BUSINESS JOURNAL ARTICLE

**Calgary – October 20, 2016:** Today an article was released by the Washington Business Journal that stated that the Corporation was aiming “to avoid foreclosure” on its Westphalia project and similar wording. Walton Westphalia Development Corporation (the “**Corporation**”) appreciates the news coverage but this headline could be construed negatively. The Corporation wishes to be clear that the loan extensions discussed in the article are solely the result of it looking to finance the Westphalia project in a different manner and requesting its lenders to work with the Corporation to manage the timing gap between the current loan maturities and the timing of potential new financing. We appreciate our lenders working with us and we hope this article and/or our earlier press release did not create the wrong impression.

On October 14, 2016, the Corporation issued a press release announcing that it had received 30 day extension periods to the maturity dates of its senior and mezzanine loans. These 30 day extensions were granted to allow discussions between the Corporation and its lenders to continue regarding more formal extensions of the maturity dates of the loans. The Corporation has requested the formal extensions of each of its senior and mezzanine loans to June 30, 2017.

The Corporation wishes to make it clear that it is not facing foreclosure on its property.

It is not unusual in the land development industry for the maturity dates of loans to be shorter than the period of time it takes to fully develop the property. This is a standard mechanism used to allow reevaluations by lenders of the loans on a regular basis. The Corporation has received, and publicly announced, such extensions from its lenders in the past.

The Corporation’s relationship with its lenders is strong and its lenders are fully engaged in the discussions pertaining to the Corporation’s requested extensions. The Corporation’s lenders have not indicated any intent to call their loans nor to foreclose on the Corporation’s property. As specifically stated in its October 14 press release, the Corporation believes that its lenders will extend the loans.

The Corporation is a public corporation under the laws of Canada. As such, it is required to publicly press release material items and developments relating to it and its operations. It is required to be balanced in its disclosures to the public. In response to its obligations under law, the Corporation advised the public of the 30 day extensions and included certain risk discussions relating to implications to the Corporation in the event that the lenders decide not to extend the loans. These risks include the fact that the Corporation currently does not have sufficient cash on hand to fully repay the loans if the lenders unexpectedly call them and the ultimate remedies available to its lenders in the event the loans are not repaid in those circumstances. This is standard disclosure in press releases of this type. While, as indicated above, the Corporation is confident that the lenders will grant extensions, it can never guarantee this and it must inform its investors of this. The Corporation and its management believe strongly in the future of the Westphalia project in Prince George’s County. We look forward to the future as we develop and build out this community, creating a place where people can work, live and play.

On another matter, today the Westphalia Town Center development district legislation and Westphalia Town Center special taxing district legislation were **unanimously approved** by the Prince George’s County Public Safety and Fiscal Management Committee. The next material step in this matter is that the above legislation will go before the full County Council for approval. If approved in conjunction with further bond sale authorization legislation which is still to be introduced, this will enable tax increment financing bonds to be issued in the future, the proceeds of which will be used to primarily finance transportation infrastructure in and around the Westphalia project. This is a very positive and exciting development for the Corporation and the Westphalia project and will significantly assist in the financing of the development thereof. This is another example of why the Corporation believes so strongly in the future of this project and the Prince George’s County community.



Aerial view of Westphalia project in Prince George's County



Ryan Homes' Multi-family Development  
September 2016



Mid-Atlantic Model and Haverford Construction  
September 2016

### Additional Information

The Corporation is managed by Walton Asset Management L.P. and the development of the project is managed by Walton Development & Management (USA), Inc., both of which are members of the Walton Group of Companies.

The Walton Group of Companies ("Walton") is a multinational real estate investment, planning and development group concentrating on the research, acquisition, administration, planning and development of strategically located land in major North American growth corridors.

Walton has been in business for over 35 years and takes a long-term approach to land planning and development. Walton's industry-leading expertise in real estate investment, land planning and development uniquely positions Walton to responsibly transition land into sustainable communities where people live, work and play.

The Walton Group manages 21 active developments and administers or manages over 108,000 acres of land in North America.

Its communities are comprehensively designed in collaboration with local residents for the benefit of community stakeholders. Its goal is to build communities that will stand the test of time: hometowns for present and future generations.

For more information about Walton Westphalia Development Corporation, please visit [www.sedar.com](http://www.sedar.com). For more information about Walton, visit [Walton.com](http://Walton.com).

-30-

**For media inquiries**, please contact: Tony Deegan

Office: 1.403.750.2292

Email: [tdeegan@walton.com](mailto:tdeegan@walton.com)

*This news release, required by Canadian laws, does not constitute an offer of securities, and is not for distribution or dissemination outside Canada. This news release contains forward looking information, and actual future results may differ from what is disclosed in this news release. The risks, uncertainties and other factors that could influence results are described in the prospectus and other documents filed with Canadian securities regulatory authorities and available online at [www.sedar.com](http://www.sedar.com)*